## MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... SOUTHERN HIGH PLAINS, LEA COUNTY, Projected 2011.

FARM SIZE...... 480.00 ACRES

IRRIGATION TYPE..... SPRINKLER

NUMBER OF CROPS....... 3

### VERSION 1.0

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			WATER	R USE
ACREAGE SUMMARY:		LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMEN ALFALFA WHEAT ARP FLEX IN COTTON COTTON ARP FLEX IN COTTON	Т	21.00 * 125.00 106.25 0.00 18.75 106.25 0.00 18.75	6 42 20 20 20 20	126 5,250 2,125 375 2,125 375
IDLE, FALLOW, ROADS	TOTAL	105.00		10,376
	ACRE FEET	PER ACRE OF WATER	RIGHTS	1.80

<sup>\*</sup> DOUBLE-CROPPPED

TABLE 2. Basic cost information for Lea County, Projected 2011.

Item				
Labor Wage Rate:				
Equipment operators		\$/hour		\$8.55
General & Irrigators		\$/hour		\$7.25
Purchased Inputs: Fertilizer:				
Nitrogen (N)		\$/pound		\$0.71
Phosphate (P205)		\$/pound		\$0.65
Seed:				
Alfalfa		\$/pound		\$3.30
Wheat		\$/pound		\$0.32
Cotton		\$/pound		\$2.15
Electricity (Lea Co Elec Coop)		cents/KwHr		6.12
Natural gas (Gas Co NM)		\$/MCF		\$3.75
Service Charge		\$/month		\$10.00
Diesel fuel		\$/gallon		\$2.95
Gasoline		\$/gallon		\$3.05
LP Gas		\$/gallon		\$2.60
Employee Liability Insurance		\$/\$1,000 wa	ages	\$20.00
Employee Benefits		percent/wag	jes	18.00%
Labor Downtime		percent		25.00%
Financial Rates:				
Operating Capital Interest Rate		percent		7.00%
Land Interest Rate		percent		6.00%
Equipment Interest Rate		percent		7.00%
Real Interest Rate		percent		3.00%
Land Taxes	\$90.00	/acre (full va	alue)	\$0.75
Personal Property Tax Rate	- NR	\$/\$1,000	(Assessed	\$25.13
	- R		Value)	\$28.97
Supervision Factors				
Field Crop-Irrigation		\$/labor hour		\$1.00
Field Crop-Equipment & General		\$/labor hou	r	\$0.50
Management Rate		percent		7.00%

TABLE 3. Overhead cost information for Lea County, Projected 2011.

Electricity (Domestic &	Shop)		\$121.00	per month	\$1,452
Telephone				per month	\$900
Accounting & Legal					\$1,718
Misc. Supplies & Hand	Tools				\$2,517
Pickup and Auto					
miles	24,926	@	\$0.500 per mile		\$12,463
Insurance					
- general liability (non	-employee)				\$1,857
<ul> <li>fire/theft</li> </ul>					\$1,470
Property Taxes					
<ul> <li>non-planted land</li> </ul>					\$0
<ul> <li>other than land &amp; ma</li> </ul>	•				\$6,010
Building repairs and ma					\$1,410
Dues, fees, publication	S				\$424
Farmstead Equipment					\$182
				Total	\$30,402
			Total per planted acre	-	\$81.07

# 

TABLE S.	Equipment summary for a 480 acre sprinkler-inicated farm with above sverage management. Les County

EQUIPMENT							VARIABLE	COSTS		- EN	ED-COSTS	
TEM & SCE			HOURS OF	NUMBER	TOTAL	FUEL, OIL, LUBRICANT	REPAR	FLIFL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAGES	TOTAL PER HR
RACTOR	126	н	244	1	\$34,753	\$8,375	\$1,367	\$24.30	\$3.97	\$2.647	\$277	\$8.50
	155	HP	483	1	\$42,840	\$12,773	\$2,601	\$26.45	\$5.39	\$5,985	\$270	\$13.13
COTTON STREPPER MITCH			89	1	\$2,950		592		50.92	\$797	548	99.14
WATHER		FT	69	1	\$21,350	\$759	\$100	\$11.04	\$1.45	\$3,621	\$300	\$67.07
ALER PTO		WRE	156	1	\$1,600		\$24		\$0.15	\$385	\$32	\$2.67
osc osc	14	FT	26	1	\$3,000		5292		\$3.72	\$400	\$25	\$5.60
SREL	12	FT	23	1	\$2,150		\$24		\$1.03	\$400	\$18	\$19.56
PLOW BIOLDBOARDI 4	-14	PN .	79	1	\$4,000		\$392		\$4.96	\$533	\$34	\$7.17
SHEEL		PT	16	1	\$1,350		\$27		\$1.67	\$180	\$11	\$12.00
D ANTED		90w	94	4	54.000		660		92 A4	5960	996	996 04
FLOAT		FT	4	1	\$500		50		\$0.02	\$53	53	\$14.21
CULTIVATOR	- 6	ROW	56	1	\$3,000		\$209		\$3.72	\$400	\$25	\$7.56
RONT END LOADER			156	1	\$2,550		5494		\$3.16	\$255	521	\$1.77
HREDDER	- 4	ROW	20	1	\$2,500		58		\$0.40	\$303	521	\$17.60
WHYDROUG APPLICATOR			19	1	\$1,500		\$13		50.72	\$200	\$13	\$11.77
TERT SPREADER DEAL	£R	RURNISHED	20									
MODULE BUILDER			20	1	\$8,000		5663		\$7.44	\$1.067	\$67	\$12.72
SENTER PIVOT SPRINKLER			6.291	1	\$15,000		\$0		\$0.00	\$2,000	\$126	\$3.34
			6.261				\$1,252		\$0.20		\$623	

TEM			NEW	VALUE	YEARS LIFE	CODE	HOURS	FUEL	SALVAGE	ACCUM YEARS	AGE	INTERES!
TRACTOR	126		66,185	34753	25	1	800	7.50	0.10	6194.57	18	992.7
TRACTOR	155	HP	89.775	42,840	15	1	900	8.15	0.10	5311.79	11	1,346.6
COTTON STREPPER MITDI			11.500	2,850	15	5	200	0.00	0.00	1158.63	13	172.5
SWATHER		FT	72.410	21,350	20	2	900	3.12	0.20	412.50		1.096.1
BALER PTO	- 2	WRE	7.700	1.600	20	2	500			2812.50	18	115.5
DSC	14		6.000	2,000	15	2	200			121408	16	90.0
SREL	12		4,300	2.150	10		100			297.77	13	64.5
PLOW MICLIDEGIARDI	4-14	IN .	8.000	4.000	15	2	200			1265.28	16	120.0
CHEEL	9	PT	2.700	1,350	15	2	200			255.00	16	43.5
PLANTER		ROW	8.500	4250	10		100			317.69	13	127.5
FLOAT	12		800	500	15	4	200			59.85	15	12.0
CULTIVATOR	- 6	ROW	6.000	2,000	15	2	200			897.00	16	90.0
DOME END LONGS			6.480	9.660	96		900			994976	46	24.6
sueconce		enw .	5.000	9.600	46		160			901.00	16	257
WHYDROUG APPLICATOR			2.000	1.500	15		250			270.94	15	45.0
	EALER	PURNSHED									18	
MODULE BUILDER			16,000	8:000	15	5	100			1604.25	18	240.0
SENTER PIVOT SPRINGE	R		30.000	15,000	15		9.742			93916-63	15	450.1
			29.750		25		1,200			1252.22		446.2

		USAGE LIST		
ALFALFA	ALFALFA MAY	WHEAT	007706	PER ACRE TOTALS
	NAME AND ADDRESS OF	HIPEK!	COTTON	IUINEA
0.23	1.30	0.23	1.06	2.92
0.85	1.25	0.60	1.69	4.49
0.00	0.00	0.00	0.62	0.62
0.00	0.55	6.00	0.00	0.55
0.00	1.25	6.00	0.00	1.25
0.28	0.00	0.28	0.28	0.84
0.18	0.00	0.18	0.00	0.36
0.48	0.00	6.00	0.48	0.96
0.00	0.00	0.15	0.00	0.15
0.00	0.00	0.00	0.54	0.14
0.00		0.17		0.17
2.62	25.34	12.07	12.07	59.10

AFFRES	T DO NO ATTINA	
ALFALFA		
HAY	WHEAT O	OTTON
dollars pe		
3.76		2.06
3.49		4.71
0.00	0.99	0.99
440	0.64	0.00
0.00	0.00	0.72
0.00	0.38	0.00
0.00	0.42	0.00
0.00	0.00	1.67

			ACCOMPLISE	MENT	
	POWER	TIMES	ALCOHOLDS.	-	
MICHINE	UNT	OVER	RATE	TOTAL	CUSTO
PLOW	165 UP	1.00	0.49	0.49	
DISC (SW)	165 MP	2.00	0.54	0.00	
D OAT	165 MP	1.00	0.19	0.19	
CCST SOSCANCO	196 MP	1.00	0.16	0.00	
DRILL	126 HP	1.00	0.18	0.59	

			TMES	ACCOMPL	SHIENT	
	MICHINE	POWER	OVER	RATE	TOTAL	custos
ECQT ON			1.00	0.05		
REGATE			14.00	0.60		

BALERA	R IDO LOADER IDO	16 FT SP 155 HP 136 HP	5.00 5.00 5.00	0.11 0.25 0.25	0.55 1.25 1.25	
WHEAT		ACRES	106.25	PLIMP WA	TER:	20.00
				ACCOMPLISE	AENT	
		enwee	TMES			
M	HCHNE	UNIT	OVER	RATE	TOTAL	CUSTOM
CHSEL		155 HP	1.00	0.15	0.15	
DISC		155 HP	1.00	0.14	0.16	
ANNHORO	US APPL	155 HP	1.00	0.17	0.17	
	ODCANCO CONADO	196 MD	1.00	0.06	0.00	
		165 UD	1.00	0.54	0.54	
DRILL	TE (+20)			0.18		

COMBINE ICLISTOM PER ACRE	9.25
PER BUSHEL OVER 30	0.19
HALL ICUSTOM PER BUSHEL	0.16

UPLAND COTTON	ACRES:	149.75	PLIMP WA	TER:	20.0
			ACCOMPLISE	MENT	
MICHNE	POWER	OVER	RATE	TOTAL	CUSTO
PLOW	155 HP	1.00	0.48	0.48	
DISC	155 HP	1.00	0.14	0.16	
DDC-IDDWATE		1.00	0.00	1.51	
PLANTER	155 HP	1.00	0.17	0.17	

corrow			196.000	100	0.60	0.40			
MODELE			165 UD	1.00	0.60	0.40			
GNCOTT	ONICLISTOR	A PER LINT II					0.19		
SHREDDE	ia.		155 HP	1.00	0.54	0.54			
			MAKE BE	see nosts	10 x 000000	NT OE NEW I	W IIC		
Hours									
of Use	1	2	2	4	5		7		
					-	-	**		
0	0.000060	0.000020	0.000620	0.000020	0.000000	0.000140	0.000060	0.000240	0.00021
50	0.000060	0.000020	0.000620	0.000020	0.000000	0.000140	0.000060	0.000240	0.00021
100	0.000060	0.000020	0.000600	0.000020	0.000140	0.000220	0.000100	0.000380	0.0000
200	0.0000000	0.000000	0.000430	0.000040	0.000180	0.000260	0.000110	0.000610	0.00029
300	0.0000000	0.000060	0.000390	0.000060	0.000230	0.000310	0.000140	0.000630	0.0006
400 500	5,000000	0.000000	0.000020	0.000500	0.000000	0.000040 0.000020	0.000450	0.000000	0.0000
	0.000000	0.000000	0.000040	0.000430	0.000000	0.000000	0.000490	0.000000	0.0000
600 700	0.0000000	0.000000	0.000340	0.000120	0.000200	0.0000000	0.000190	0.000940	0.00000
900	6,000030	0.000110	0.000340	0.000150	0.000360	0.000430	0.000210	0.000990	0.0006
900	6,000030	0.000110	0.000320	0.000160	0.000370	0.000450	0.000210	0.001020	0.0006
1000	0.000090	0.000130	0.000310	0.000180	0.000380	0.000460	0.000230	0.001020	0.0006
1200	0.000045	0.000145	0.000316	0.000206	0.000405	0.000480	0.000245	0.001136	0.0002
1400	0.000045	0.000170	0.000300	0.000230	0.000405	0.000510	0.000410	0.001290	0.00079
1500	0.000150	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	0.001260	0.00079
1900	0.000150	0.000190	0.000295	0.000255	0.000465	0.000525	0.000135	0.001236	0.0008
1900	0.000075	0.000170	0.000295	0.000285	0.000485	0.000550	0.000296		
2000	0.000110	0.000365	0.000290	0.000006	0.000505	0.000565	0.000310		
9500	0.000056								
9000	4.000000								
3500	0.000082								
4000	0.000096								
4500	0.000108								
5000	0.000122								
\$500	0.000136								
6000	0.000148								
6500	0.000162								
7000 7500	0.000176								
9000	0.000204								
8000	0.000204								

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TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2011.

Planting dates: August 15 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED NITROGEN (N) PHOSPHATE (P205) PUMP WATER	\$3.30 \$0.71 \$0.65	30 LBS 55 LBS 140 LBS 6 AC.IN.	\$99.00 \$39.05 \$91.00					\$99.00 \$39.05 \$91.00
SUBTOTAL			\$229.05				-	\$229.05
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW DISC (2X) FLOAT FERT SPREADER DRILL IRRIGATE (3X) SUBTOTAL	155 HP 155 HP 155 HP 126 HP 126 HP	0.48 HR 0.28 HR 0.19 HR 0.05 HR 0.18 HR 0.30 HR		\$4.10 \$2.39 \$1.62 \$0.43 \$1.54 \$2.18	\$12.70 \$7.41 \$5.03 \$1.22 \$4.38 \$9.07	\$4.97 \$2.55 \$1.03 \$0.20 \$0.90 \$0.72	\$9.76 \$5.26 \$5.20 \$0.42 \$5.05 \$5.38	\$31.53 \$17.61 \$12.88 \$2.27 \$11.87 \$17.35
OVERHEAD EXPENSES								
DOWNTIME EMPLOYEE BENEFITS INSURANCE SUPERVISION AND MANAGEMENT		0.30 HR	\$0.25	\$2.52 \$2.21 \$23.47				\$2.52 \$2.21 \$0.25 \$23.47
SUBTOTAL		0.30 HR	\$0.25	\$28.20				\$28.44
TOTAL OPERATING EXPENSES		1.78 HR	\$229.30	\$40.46	\$39.80	\$10.37	\$31.08	\$351.00

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2011.

. Harvest dates: May 20 - October 15 ITEM PRICE YIELD TOTAL GROSS RETURNS ALFALFA HAY \$165.00 6.00 TONS (STACKED) \$990.00 TOTAL \$990.00 **PURCHASED** FIXED PRICE QUANTITY INPUTS PURCHASED INPUTS COST TOTAL PHOSPHATE (P2O5) 90 LBS \$58.50 \$58.50 \$0.65 INSECTICIDE (CUSTOM) \$14.08 1 ACRE \$14.08 \$14.08 HERBICIDE ACRE \$12.80 \$12.80 \$12.80 WIRE \$0.37 51 LBS \$19.10 \$19.10 ESTABLISHMENT: Principal 6 YEARS \$58.50 \$58.50 \$13.80 \$13.80 : Interest PUMP WATER\* 42 AC. IN. SUBTOTAL \$176.78 \$104.48 \$72.30 POWER FUEL & ACCOMPLISHMENT PURCHASED FIXED PREHARVEST OPERATIONS UNIT LABOR LUBE REPAIRS RATE **INPUTS** COST TOTAL FERT SPREADER 126 HP 0.05 HR \$0.43 \$1.22 \$0.20 \$0.42 \$2.27 IRRIGATE 1.40 HR \$10.15 \$63.50 \$5.07 \$37.64 \$116.36 SUBTOTAL 1.45 HR \$10.58 \$64.72 \$5.27 \$38.06 \$118.63 HARVEST OPERATIONS SWATHER (5X) 16 FT SP 0.55 HR \$4.70 \$6.07 \$0.80 \$31.39 \$42.96 BALER & ACCUM (5X) 155 HP 1.25 HR \$10.69 \$33.06 \$6.93 \$19.80 \$70.48 FRONT END LOADER (5X) 126 HP 1.25 HR \$10.69 \$30.42 \$8.92 \$12.83 \$62.86 SUBTOTAL 3.05 HR \$26.08 \$69.56 \$16.64 \$64.03 \$176.30 OVERHEAD EXPENSES DOWNTIME 0.78 HR \$6.63 \$6.63 EMPLOYEE BENEFITS \$6.60 \$6.60 INSURANCE \$0.73 \$0.73 LAND TAXES \$0.75 \$0.75 SUPERVISION AND MANAGEMENT \$72.25 \$72.25 \$81.07 OTHER EXPENSES \$81.07 SUBTOTAL 0.78 HR \$81.81 \$85.47 \$168.03 \$0.75 TOTAL OPERATING EXPENSES 5.28 HR \$186.29 \$122.13 \$134.28 \$21.91 \$175.14 \$639.74 NET OPERATING PROFIT \$350.26 INTEREST ON OPERATING CAPITAL \$76.92 @ 7.00% ) \$5.38 INTEREST ON EQUIPMENT INVESTMENT \$21.09 RETURN TO LAND AND RISK \$323.78 \* Pump water costs are shown under irrigation in the preharvest operations section.

	BUDGET S	UMMARY	
GROSS RETURN		\$990.00	
VARIABLE OPERATING EXPENSES	\$342.47		
RETURN OVER VARIABLE EXPENSES		\$647.53	(GROSS MARGIN)
FIXED EXPENSES	\$175.14		
NET FARM INCOME		\$472.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$122.13		
NET OPERATING PROFIT		\$350.26	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$26.47		
RETURN TO LAND AND RISK		\$323.78	

TABLE 11.. Wheat, sprinkler-irrigated, budgeted per acre costs and returns in Catron County New Mexico

Planting dates: August 15 - October 30 Harvest dates: July 1- July 15

ITEM	PRICE		YIE	LD	BASE					TOTAL
GROSS RETURNS WHEAT DIRECT PAYMENT COUNTER CYCLICAL PAYMENT GRAZING	\$5.25 \$0.00 \$0.00 \$50.00		40.00	BUSHELS BUSHELS ACRE	0.85					\$210.00 \$0.00 \$0.00 \$50.00
TOTAL	*******								-	\$260.00
					PURCHASED				FIXED	
PURCHASED INPUTS	PRICE		QUAN	ITITY	INPUTS				COST	TOTAL
SEED	0.32			LBS	\$28.80					\$28.80
PHOSPHATE (P205) ANHYDROUS AMMONIA (NH3)	0.65 0.15			LBS LBS	\$45.50 \$30.00					\$45.50 \$30.00
PUMP WATER*				ACRE IN.						
CROP INSURANCE SUBTOTAL	0.47				\$0.47 \$104.77				-	\$0.47 \$104.77
DDELLA DIVECT ODER ATIONS	POWER		ACCOMPL		PURCHASED	LABOR	FUEL &	DEDAIDS	FIXED	TOTAL
PREHARVEST OPERATIONS	UNIT		RA	IE	INPUTS	LABOR	LUBE	REPAIRS	COST	TOTAL
CHISEL DISC	155 HP 155 HP		0.15 0.14			\$1.28 \$1.20	\$3.97	\$1.06 \$1.27	\$3.78 \$2.63	\$10.09
ANNHYDROUS APPL	155 HP		0.14			\$1.20 \$1.45	\$3.70 \$4.50	\$1.27 \$1.04	\$4.24	\$8.80 \$11.23
FERT SPREADER	126 HP		0.05			\$0.43	\$1.22	\$0.20	\$0.42	\$2.27
DISC DRILL	155 HP 126 HP		0.14 0.18			\$1.20 \$1.54	\$3.70 \$4.38	\$1.27 \$0.90	\$2.63 \$5.05	\$8.80 \$11.87
IRRIGATE (12X)			1.20			\$8.70	\$30.24	\$2.41	\$17.92	\$59.28
SUBTOTAL		-	2.03	HR		\$15.80	\$51.71	\$8.16	\$36.67	\$112.34
HARVEST OPERATIONS										
COMBINE (CUSTOM)					\$11.15					\$11.15
HAUL (CUSTOM)					\$6.40					\$6.40
SUBTOTAL		•			\$17.55					\$17.55
OVERHEAD EXPENSES										
DOWNTIME			0.21	HR		\$1.77				\$1.77
EMPLOYEE BENEFITS INSURANCE					\$0.32	\$2.84				\$2.84 \$0.32
LAND TAXES					ψ0.02				\$0.75	\$0.75
SUPERVISION AND MANAGEMENT OTHER EXPENSES					\$81.07	\$19.82				\$19.82 \$81.07
SUBTOTAL		.=	0.21	HR	\$81.39	\$24.43			\$0.75	\$106.57
TOTAL OPERATING EXPENSES		-	2.24		\$203.71	\$40.23	\$51.71	\$8.16	\$37.43	\$341.23
NET OPERATING PROFIT					ψ200.7 1	ψ101 <u>2</u> 0	Ψ	φοιισ	ψ01.10	(\$81.23)
		,	<b>¢</b> co 04	@	7.000/	,				\$4.82
INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTME	:NT	(	\$68.81	<b>w</b>	7.00%	)				\$5.71
RETURN TO LAND AND RISK										(\$91.76)
* Pump water costs are shown under irrig	ation in the preh		ations section SUMMARY	ı.						
GROSS RETURN			\$260.00							
VARIABLE OPERATING EXPENSES		\$263.58								
RETURN OVER VARIABLE EXPENSES FIXED EXPENSES		\$37.43	(\$3.58)	(GROSS	MARGIN)					
NET FARM INCOME			(\$41.00)	(RETURI	N TO CAPITAL, LA	ABOR, LAND	& RISK)			
LABOR AND MANAGEMENT COST		\$40.23								

(RETURN TO CAPITAL, LAND & RISK)

\$40.23

\$10.52

LABOR AND MANAGEMENT COST NET OPERATING PROFIT

CAPITAL COSTS
RETURN TO LAND AND RISK

(\$81.23)

(\$91.76)

TABLE 9. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2011.
Planting dates: May 1 - May 25
Harvest dates: November 1 - December 15

GROSS REFURNS  INT  SEED  SOO7  680.00 LBS  OBS  ODIRECT PAYMENT  SO 3007  680.00 LBS  OBS  ODIRECT PAYMENT  TOTAL  PURCHASED INPUTS  SEED  S2.15  S2.15  S2.15  S2.15  S2.16  S2.16  S2.16  S2.16  S2.16  S2.16  S2.17  S2.18  S2.272  S2.18  S2.272  S3.08  FINSED INPUTS  SOURCE INPUTS  SUBTOTAL  POWER  ACCOMPLISHMENT PURCHASED  FURCHASED  PURP MATER  ACCOMPLISHMENT PURCHASED  FURCHASED  FURCHASED  S1.27  S1.27  S2.24  S1.27  S1.27  S2.24  S1.27  S2.24  S1.27  S2.24  S1.27  S2.24  S2.27  S3.25  S3.25  S4.27  S3.25  S4.27  S5.26  S5.26  S5.26  S5.26  S6.26	Harvest dates: November 1 - De	PRICE	YIEI	D	BASE					TOTA
LINT		PRICE	11111		DASE					1017
DIRECT PAYMENT   \$0,0000		\$0.81	425.00	LBS						\$344.2
STATE   STAT										\$47.6
STATE   STAT	DIRECT PAYMENT				0.85					\$0.0
PURCHASED INPUTS	COUNTER CYCLICAL PAYMENT		675.00	LBS	0.85					\$78.7
PURCHASED INPUTS	TOTAL								-	\$470.6
VILICAL ASSED INPUTS	TOTAL									φ470.0
SEED					PURCHASED				FIXED	
NITROGEN N) \$0.71 32 LBS \$2.72	PURCHASED INPUTS	PRICE	QUAN	TITY	INPUTS				COST	TOTA
NITEOGEN (N) \$0.71 32 LBS \$22.72	SEED	\$2.15	20	LBS	\$43.00					\$43.0
PHOSPHATE (PZOS)   \$0.65	NITROGEN (N)	\$0.71	32	LBS						\$22.
INSECTICIDE	PHOSPHATE (P2O5)	\$0.65	40	LBS	\$26.00					\$26.
INSECTICIDE (CUSTOM)	INSECTICIDE	\$11.20	1	X/ACRE	\$11.20					\$11.
CROP INSURANCE   SUBTOTAL   SUB	HERBICIDE	\$8.00	1	X/ACRE	\$8.00					\$8.
CROP INSURANCE   SUBTOTAL   SUB	INSECTICIDE (CUSTOM)	\$11.07	1	X/ACRE	\$11.07					\$11.
SUBTOTAL   S122.34   S12					\$0.35					\$0.
POWER   NPUTS   LABOR   FUEL &   FUEL &   FUEL   NPUTS   LABOR   FUEL &   FUEL &   FUEL   NPUTS   NP	PUMP WATER*		20	ACRE IN.						
NOTE	SUBTOTAL				\$122.34				-	\$122.3
PREHARVEST OPERATIONS		POWER	ACCOMPI	ICUMENT	DUDCHASED				EIVED	
DISC 155 HP 0.14 HR \$1.20 \$3.70 \$1.27 \$2.63 \$2.63 \$1.00 \$1.0						LABOR		REPAIRS		TOT
FERT SPREADER   126 HP	PLOW	155 HP	0.48	HR		\$4.10	\$12.70	\$4.97	\$9.76	\$31.5
DISC 155 HP 0.14 HR \$12.0 \$3.70 \$1.27 \$2.63 \$2.69 \$1.00 HR \$0.73 \$3.78 \$1.27 \$2.63 \$2.63 \$1.00 HR \$0.73 \$3.78 \$1.27 \$2.63 \$2.63 \$1.00 HR \$0.73 \$3.78 \$1.00 \$2.24 \$1.00 HR \$1.45 \$4.50 \$1.26 HP \$1.45 \$4.50 \$1.26 HP \$1.45 \$4.50 \$1.26 HP \$1.45 \$1.45 \$4.50 \$1.26 HP \$1.45 \$1.45 \$4.50 \$1.26 HP \$1.00 HR \$20.00 \$1.75 \$1.00 \$3.33 \$9.49 \$3.00 \$6.27 \$3.00 HR \$1.00 HR	DISC	155 HP	0.14	HR		\$1.20	\$3.70	\$1.27	\$2.63	\$8.
PREJRIGATE PLANTER 155 HP 0.17 HR \$0.73 \$3.78 \$0.30 \$2.24 \$2.5 \$2.1 \$1.26 HP 0.39 HR \$0.30 HR \$0.30 HR \$0.30 HR \$0.30 \$3.33 \$9.49 \$3.00 \$6.27 \$3.5 \$1.26 \$8.40 \$1.26 \$1.	FERT SPREADER	126 HP	0.05	HR		\$0.43	\$1.22	\$0.20	\$0.42	\$2.
PLANTER	DISC	155 HP	0.14	HR		\$1.20	\$3.70	\$1.27	\$2.63	\$8.
CULTIVATOR (3X) 126 HP 0.39 HR \$20.00 \$3.33 \$9.49 \$3.00 \$6.27 \$5.	PRE-IRRIGATE		0.10	HR		\$0.73	\$3.78	\$0.30	\$2.24	\$7.
HOE (CUSTOM 2X)	PLANTER	155 HP	0.17	HR		\$1.45	\$4.50	\$1.26	\$8.40	\$15.
RRIGATE (7X)   0.70 HR   \$5.08 \$26.46 \$2.11 \$15.68 \$4 \$2.00 \$17.51 \$65.55 \$14.39 \$48.04 \$16 \$14.00 \$17.51		126 HP	0.39	HR		\$3.33	\$9.49	\$3.00	\$6.27	\$22.
SUBTOTAL  2.17 HR \$20.00 \$17.51 \$65.55 \$14.39 \$48.04 \$16  IARVEST OPERATIONS  COTTON STRIPPER 126 HP 0.62 HR \$5.30 \$15.09 \$3.03 \$10.94 \$26.99 \$16  MODULE BUILDER 155 HP 0.62 HR \$79.99 \$10.60 \$31.49 \$10.98 \$26.99 \$16  SUBTOTAL 1.24 HR \$79.99 \$10.60 \$31.49 \$10.98 \$26.99 \$16  COSTHARVEST OPERATIONS  SHREDDER 155 HP 0.14 HR \$1.20 \$3.70 \$0.81 \$4.31 \$1  COSTHARVEST OPERATIONS  SHREDDER 155 HP 0.14 HR \$5.77 \$8  EMPLOYEE BENEFITS \$5.28 \$9  INSURANCE LAND TAXES \$5.28 \$9  INSURANCE SUPERVISION AND MANAGEMENT OTHER EXPENSES \$81.07 \$835.09 \$90.75 \$3  SUBTOTAL 0.68 HR \$81.66 \$46.14 \$0.75 \$12  COTAL OPERATING EXPENSES \$4.23 HR \$303.98 \$75.45 \$100.74 \$26.19 \$80.09 \$56  LET OPERATING PROFIT \$8  INTEREST ON OPERATING CAPITAL (\$92.49 @ 7.00% ) \$90.00 \$56  INTEREST ON OPERATING CAPITAL (\$92.49 @ 7.00% ) \$90.00 \$56  INTEREST ON OPERATING CAPITAL (\$92.49 @ 7.00% ) \$90.00 \$56  INTEREST ON OPERATING CAPITAL (\$92.49 @ 7.00% ) \$90.00 \$56  INTEREST ON COULD MEAN TO THE STANDARD			0.70	ΗР	\$20.00	\$5.08	\$26.46	¢2 11	\$15.68	\$20.0 \$49.3
ARYVEST OPERATIONS  COTTON STRIPPER 126 HP 0.62 HR \$5.30 \$15.09 \$3.03 \$10.94 \$5.00 MILES   MODULE BUILDER GIN COTTON (CUSTOM) SUBTOTAL 1.24 HR \$79.99 \$10.60 \$31.49 \$10.98 \$26.99 \$16.00 MILES   SUBTOTAL 1.24 HR \$79.99 \$10.60 \$31.49 \$10.98 \$26.99 \$16.00 MILES   SUBTOTAL 1.24 HR \$79.99 \$10.60 \$31.49 \$10.98 \$26.99 \$16.00 MILES   SUBTOTAL  DOSTHARVEST OPERATIONS  SHREDDER 155 HP 0.14 HR \$1.20 \$3.70 \$0.81 \$4.31 \$1.00 MILES   SUBTOTAL  DOWNTIME EMPLOYEE BENEFITS SUBTOTAL STATE   SUBTOTAL STATE   SUBTOTAL STATE   SUBTOTAL SUBTO					\$20.00					
COTTON STRIPPER 126 HP 0.62 HR \$5.30 \$15.09 \$3.03 \$10.94 \$5.00 MODULE BUILDER 155 HP 0.62 HR \$79.99 \$5.30 \$16.40 \$7.95 \$16.05 \$3.00 S10.00 \$3.00	SUBTUTAL		2.17	пк	\$20.00	\$17.51	φου.υυ	\$14.59	<b>\$40.04</b>	<b>Ф100.</b> 4
MODULE BUILDER GIN COTTON (CUSTOM)  SUBTOTAL  1.24 HR \$79.99 \$10.60 \$31.49 \$10.98 \$26.99 \$16.05 \$40.00 \$31.49 \$10.98 \$26.99 \$16.00 \$31.49 \$10.98 \$26.99 \$31.60 \$31.49 \$31.	HARVEST OPERATIONS									
MODULE BUILDER   155 HP   0.62 HR   \$79.99   \$5.30   \$16.40   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$4.00   \$7.95   \$16.05   \$16.05   \$16.0	COTTON STRIPPER	126 HP	0.62	HR		\$5.30	\$15.09	\$3.03	\$10.94	\$34.3
SUBTOTAL   1.24 HR   \$79.99   \$10.60   \$31.49   \$10.98   \$26.99   \$16.00   \$31.49   \$10.98   \$26.99   \$16.00   \$31.49   \$10.98   \$26.99   \$16.00   \$31.49   \$10.98   \$26.99   \$16.00   \$31.49   \$10.98   \$26.99   \$16.00   \$31.49   \$10.98   \$26.99   \$16.00   \$31.49	MODULE BUILDER	155 HP	0.62	HR						\$45.
STHARVEST OPERATIONS					\$79.99	*****		•		\$79.9
STHARVEST OPERATIONS	SUBTOTAL		1 24	HR	\$79.99	\$10.60	\$31 49	\$10.98	\$26.99	\$160.0
SHREDDER 155 HP 0.14 HR \$1.20 \$3.70 \$0.81 \$4.31 \$1.20 \$2.70 \$3.70 \$0.81 \$4.31 \$1.20 \$2.70					******	******	******	******	<del></del>	*
DOWNTIME	<u> </u>									
DOWNTIME	SHREDDER	155 HP	0.14	HR		\$1.20	\$3.70	\$0.81	\$4.31	\$10.0
EMPLOYEE BENEFITS INSURANCE LAND TAXES SUPERVISION AND MANAGEMENT OTHER EXPENSES SUBTOTAL OTAL OPERATING EXPENSES  LET OPERATING PROFIT  INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMENT  SUBSTANDA SUBJECT SUBTOR	VERHEAD EXPENSES									
EMPLOYEE BENEFITS INSURANCE LAND TAXES SUPERVISION AND MANAGEMENT OTHER EXPENSES SUBTOTAL  OTAL OPERATING EXPENSES  ALT OPERATING PROFIT  INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMENT  SUBTORAL  SUBT	DOWNTIME		0.68	HR		\$5.77				\$5.
INSURANCE   \$0.59   \$0.59   \$0.75										\$5.
LAND TAXES   \$0.75   \$3   \$35.09   \$3					\$0.59					\$0.
OTHER EXPENSES         \$81.07         \$8           SUBTOTAL         0.68 HR         \$81.66         \$46.14         \$0.75         \$12           OTAL OPERATING EXPENSES         4.23 HR         \$303.98         \$75.45         \$100.74         \$26.19         \$80.09         \$56           ET OPERATING PROFIT         (\$11           INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMENT         \$92.49         \$7.00%         )         \$3	LAND TAXES								\$0.75	\$0.
SUBTOTAL         0.68 HR         \$81.66         \$46.14         \$0.75         \$12           OTAL OPERATING EXPENSES         4.23 HR         \$303.98         \$75.45         \$100.74         \$26.19         \$80.09         \$58           ET OPERATING PROFIT         (\$11           INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMENT         (\$92.49 @ 7.00% )         \$300.09	SUPERVISION AND MANAGEMENT					\$35.09				\$35.
OTAL OPERATING EXPENSES	OTHER EXPENSES				\$81.07					\$81.
IET OPERATING PROFIT  INTEREST ON OPERATING CAPITAL (\$92.49 @ 7.00%) INTEREST ON EQUIPMENT INVESTMENT  \$1	SUBTOTAL		0.68	HR	\$81.66	\$46.14			\$0.75	\$128.5
INTEREST ON OPERATING CAPITAL (\$92.49 @ 7.00%) INTEREST ON EQUIPMENT INVESTMENT  \$1	OTAL OPERATING EXPENSES		4.23	HR	\$303.98	\$75.45	\$100.74	\$26.19	\$80.09	\$586.4
INTEREST ON EQUIPMENT INVESTMENT \$1	IET OPERATING PROFIT									(\$115.8
			( \$92.49	@	7.00%	)				\$6.4 \$15.4
RETURN TO LAND AND RISK (\$13	RETURN TO LAND AND RISK									(\$137.7

	BUDGET	SUMMARY	
GROSS RETURN		\$470.63	
VARIABLE OPERATING EXPENSES	\$430.91		
RETURN OVER VARIABLE EXPENSES		\$39.72	(GROSS MARGIN)
FIXED EXPENSES	\$80.09		
NET FARM INCOME		(\$40.37)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$75.45		
NET OPERATING PROFIT		(\$115.83)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$21.94		
RETURN TO LAND AND RISK		(\$137.77)	

TABLE 10. Summary of per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2011.

Projected 2011.	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	STRIPPER COTTON
		TONS	BU	LBS
PRIMARY YIELD PRIMARY PRICE GOVERNMENT PAYMENTS SECOND INCOME		6.00 \$165.00 \$0.00 \$0.00	40.00 \$5.25 \$0.00 \$50.00	425.00 \$0.81 \$78.78 \$47.60
GROSS RETURN		\$990.00	\$260.00	\$470.63
CASH OPERATING EXPENSES SEED FERTILIZER CHEMICALS CROP INSURANCE OTHER PURCHASED INPUTS CANAL WATER FUEL, OIL & LUBRICANTS-EQUIPMENT	\$99.00 \$130.05 \$30.73	\$58.50 \$26.88 \$19.10 \$70.77	\$28.80 \$75.50 \$0.47	\$43.00 \$48.72 \$30.27 \$0.35
FUEL-IRRIGATION REPAIRS CUSTOM CHARGES LAND TAXES OTHER EXPENSES	\$9.07 \$10.37 \$0.25	\$63.50 \$21.91 \$0.75 \$81.81	\$30.24 \$8.16 \$17.55 \$0.75 \$81.39	\$30.24 \$26.19 \$99.99 \$0.75 \$81.66
TOTAL CASH EXPENSES  RETURN OVER CASH EXPENSES	\$279.46 (\$279.46)	\$343.22 \$646.78	\$264.33 (\$4.33)	\$431.66 \$38.97
FIXED EXPENSES	\$31.08	\$174.39	\$36.67	\$79.34
TOTAL EXPENSES	\$310.53	\$517.61	\$301.00	\$511.00
RETURNS TO CAPITAL, LABOR, LAND & RISK	(\$310.53)	\$472.39	(\$41.00)	(\$40.37)
LABOR AND MANAGEMENT COSTS	\$40.46	\$122.13	\$40.23	\$75.45
RETURNS TO CAPITAL, LAND & RISK	(\$351.00)	\$350.26	(\$81.23)	(\$115.83)
CAPITAL COSTS INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMENT		\$5.38 \$21.09	\$4.82 \$5.71	\$6.47 \$15.46
TOTAL CAPITAL COSTS	\$0.00	\$26.47	\$10.52	\$21.94
RETURN TO LAND AND RISK	(\$351.00)	\$323.78	(\$91.76)	(\$137.77)

TABLE 11. Whole farm summary, Lea County, Projected 2011.

Projected 2	2011.			
GROSS RETURNS				
ALFALFA HAY	125.00 ACRES			
CROP		\$123,750		
WHEAT	106.25 ACRES			
CROP		\$22,313		
GRAZING		\$5,313		
DIRECT PAYMENT		\$0		
COUNTER CYCLICA		\$0		
COTTON	143.75 ACRES			
LINT		\$49,486		
SEED		\$6,843		
DIRECT PAYMENT		\$0		
COUNTER CYCLICA	L PAYMENT	\$11,324		
GROSS RETURN			-	\$219,027
CASH OPERATING EX	PENSES	<b>.</b>		
SEED		\$11,320		
FERTILIZER		\$25,069		
CHEMICALS		\$7,712		
CROP INSURANCE		\$100		
OTHER PURCHASE	D INPUTS	\$2,388		
CANAL WATER		\$0		
FUEL, OIL & LUBRIC	CANTS-EQUIPMENT	\$21,907		
FUEL-IRRIGATION		\$15,688		
REPAIRS		\$7,587		
CUSTOM CHARGES	3	\$16,238		
LAND TAXES		\$283		
OTHER EXPENSES		\$30,617		
		φ30,01 <i>1</i>		
TOTAL CA	ASH EXPENSES		\$138,908	
RETURN OVER CASH	EXPENSES			\$80,120
FIXED EXPENSES		\$30,440		
TOTAL EX	(PENSES		\$169,348	
NET FARM INCOME				\$49,679
	UENT COOTO	<b>***</b>		ψ10,070
LABOR AND MANAGEN	MENI COSIS	\$31,237		
NET OPERATING PRO	FIT			\$18,443
CAPITAL COSTS				
INTEREST ON OPE	RATING CAPITAL	\$2,116		
	IPMENT INVESTMENT	\$5,465		
TOTAL CA	APITAL COSTS		\$7,581	
TOTAL OF	11712 00010		Ψ1,501	
RETURN TO LAND ANI	D RISK		-	\$10,862

		RETURN	RETURN ON
LAND	VALUE	TO RISK*	INVESTMENT**
\$500	/ACRE	\$3,662	3.96%
\$700	/ACRE	\$782	3.28%
\$900	/ACRE	(\$2,098)	2.80%
\$1,100	/ACRE	(\$4,978)	2.45%
\$1,300	/ACRE	(\$7,858)	2.17%
\$1,500	/ACRE	(\$10,738)	1.95%

 $<sup>^{\</sup>star}$  RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)  $^{\star\star}$  NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)